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# Political Instability and Regional Tensions

National Intelligence Estimate  
Volume I—The Estimate

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# POLITICAL INSTABILITY AND REGIONAL TENSIONS

## Volume I—The Estimate

Information available as of 14 September 1981 was  
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THIS ESTIMATE IS ISSUED BY THE DIRECTOR OF CENTRAL INTELLIGENCE.

THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS, EXCEPT AS NOTED IN THE TEXT.

*The following intelligence organizations participated in the preparation of the Estimate:*

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organization of the Department of State.

*Also Participating:*

The Assistant Chief of Staff for Intelligence, Department of the Army

The Director of Naval Intelligence, Department of the Navy

The Assistant Chief of Staff, Intelligence, Department of the Air Force

The Director of Intelligence, Headquarters, Marine Corps

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Note: Supporting Analysis for this Estimate is published separately as volume II.	

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## KEY JUDGMENTS

This Estimate addresses areas of high geopolitical importance to the United States, outside the Soviet Bloc and China, in which political instability or regional tensions are most likely to create problems of major consequence for the United States during the next two to three years.<sup>1</sup> Some of these will require crisis management, while others will call for sustained policy attention and a redirection of intelligence efforts. The Estimate addresses the principal sources of instability and tensions in each area and the extent to which these problems are, or can be, manipulated by the USSR or other outside powers. It also discusses the implications of these questions for the United States.

### Regional Tensions

*The principal areas where regional tensions and armed conflicts are most likely to escalate and to necessitate US policy responses are:*

Israel-Arab states	Afghanistan-Pakistan
Iraq-Iran	India-Pakistan
Central America	Vietnam-Kampuchea-Thailand
The Horn of Africa	North Korea-South Korea
Southern Africa	

### Domestic Instability

*A. The principal countries in which major change detrimental to key US interests has at least an even chance of occurring in the next two or three years are:*

Iran	Zaire
El Salvador	Greece <sup>2</sup>
Guatemala	North Yemen

<sup>1</sup> Political instability is defined as the potential for sudden and significant change in the leadership, policies, or condition of a country. The most dramatic manifestation of instability is the revolutionary overthrow of a regime, as in Cuba in 1959 or Iran in 1979. Developments short of revolution, however, sometimes lead states to alter their policies abruptly in ways that can substantially affect US interests. The Estimate does not deal with the frequent coups d'etat in countries such as Bolivia, where coups shift the spoils of office from one set of leaders to another but often have little effect on anyone else. Nor is it concerned with political violence, including terrorism, that does not connote major political change. Regional tensions are defined as strained relations between neighboring states that have significant potential for major armed conflict. The Persian Gulf, the South Asian subcontinent, and the Korean Peninsula provide outstanding examples. The Estimate does not address the initiation of war by major powers, but it does consider the dangers of outside intervention in unstable areas or, as in Afghanistan, of intervention leading to wider conflicts.

<sup>2</sup> The Director of Intelligence and Research, Department of State, considers that Greece would more appropriately be placed in category B, for the reason given in footnote 5 on page 9.

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*B. The principal countries in which major change detrimental to key US interests has a significant, although lesser, likelihood of occurring in the next two or three years are:*

Egypt <sup>3</sup>	Pakistan
Oman <sup>3</sup>	The Philippines
Spain	Panama

*C. In certain other important countries, political stability appears to be fairly well assured in the next two or three years, but there are deep-rooted social and economic forces at work that might undermine stability and lead to major changes of great consequence to the United States. These countries are:*

Saudi Arabia <sup>4</sup>	Yugoslavia
Mexico	India
Brazil	

There is no "global instability" as such, but instead a myriad of internal and interstate conflicts. Many of these conflicts will be significant for the United States primarily because the USSR or its close associates will continue to aggravate, exploit, and in some cases promote them.

Because they are so often triggered by elusive and seemingly minor events, certain new crises will erupt without warning. This will be somewhat less likely, however, with respect to regional conflicts than to coups and other internal disruptions.

In the less developed world the United States will continue at times to face the dilemma of either accommodating popular but anti-US opposition forces, or supporting ineffective and sometimes oppressive governments. In some instances, the continuation in power of incumbent rulers may increase pressures for radical change, thus undermining the long-term US objective of promoting constructive change through nonviolent means.

The principal sources of instability and tension will remain local, although in many instances exacerbated by outsiders—particularly the USSR and its associates—seeking geopolitical advantage. The potential

<sup>3</sup> The Director, Defense Intelligence Agency, the Assistant Chief of Staff for Intelligence, Department of the Army, the Director of Naval Intelligence, Department of the Navy, and the Director of Intelligence, Headquarters, Marine Corps, agree that a change of regime in Egypt or Oman could be highly detrimental to US interests but believe that the two countries would more properly be placed in category C in terms of the relative likelihood of such an eventuality in the next two or three years. The Assistant Chief of Staff, Intelligence, Department of the Air Force, concurs with regard to Oman.

<sup>4</sup> The Director of Intelligence and Research, Department of State, believes that Saudi Arabia should be included in category B.

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for influence by the United States or other friendly countries will vary from case to case, and those Western actions that are tailored to the special characteristics of each situation will have the best prospects for being effective.

There is a good chance that, despite remedies offered by the United States or governments friendly to it, certain crisis situations will work to Soviet advantage, particularly those arising from racial divisions in southern Africa and the Palestinian question in the Middle East. The USSR and its friends have thus far been better able than the United States to identify with positions on these issues that enjoy widespread popular support.

Some cases of instability in the less developed world, however, can almost certainly be resolved to US advantage. In many areas, the United States enjoys respect and influence while the USSR and its close associates—which have sometimes bungled their chances—are distrusted. Certain new factors, moreover, especially world reactions to events in Afghanistan and Poland, are enhancing the ability of a more determined United States to influence events in the less developed world.



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## THE ESTIMATE

1. Domestic instability and regional tensions in the less developed world have become increasingly widespread over the past decade, and will continue to grow. Few of the underlying problems have solutions in sight.

2. In many settings, disorder will remain commonplace but will not necessarily develop into serious instability or problems of major consequence for the United States. In many situations, disruptive pressures will be offset by the continuing basic strength of the society, effective governmental responses, a tradition of fatalism or servility, or repression.

3. But certain other forces—several of them fairly new—are in many cases eroding the ability of governments to keep disruptive pressures at manageable levels. The growth of education, literacy, rapid communication, and political agitation is increasing awareness of inequities and injustices, and of revolutionary methods for altering them. Sharply rising energy costs and other destabilizing global economic forces aggravate such situations, as does the availability of arms from numerous private and governmental sources. *Domestic instability* will, accordingly, increase in many less developed countries, which generally lack institutions capable of converting such highly charged discontent into orderly change.

4. Most of the serious dangers to US interests during the next few years, however, will grow out of acute *regional tensions*. Such tensions will usually reflect longstanding national or ethnic antagonisms, although the more immediate issues may involve boundary disputes, access to waterways or natural resources, or local arms races and the possible acquisition of nuclear weapons. The plethora of new actors in international politics and the seeming failure of available international procedures to redress their grievances will continue to multiply the number of violent conflicts. Existing conflicts will be complicated by ready access to weapons, and—perhaps most important—by the involvement of the superpowers in local and regional tensions.

5. Indeed, were it not for the continuing aggravation, exploitation, and in some cases promotion of instability and tensions in the less developed world by the USSR and its close associates, many of these situations would not become critical to US interests. As it is, the deep involvement of the USSR and its clients in Southwest Asia, Africa, Central America, and other areas of geopolitical importance converts many such problems into complex and significant challenges for the United States.

- Moscow will accordingly provide military, financial, covert, and other assistance to diverse opposition groups. Many of these groups will have little apparent chance to take power in the near term, but the Soviets will use such aid and the influence it brings to exploit possible future opportunities.
- Soviet assistance to revolutionary groups, including some that use terrorist tactics, will continue to flow through such close associates as Cuba, Libya, Syria, South Yemen, Vietnam, and the PLO. These associates will not always be acting at Moscow's behest, but their activities will often serve Soviet interests.
- Moscow generally attempts simultaneously to maintain correct relations with existing non-Communist governments and to advance the cause of local Communist parties or other protege groups; but, in many of the instances in which these objectives conflict, the USSR will continue to place first priority on state-to-state ties. A further constraint on Soviet exploitation of instability in some situations is the risk of provoking strong countermoves or hostile reactions from Western and nonaligned powers. To lessen this risk, the USSR will in many cases use covert or indirect methods.
- The USSR will continue to seek advantage in unstable situations by attempting to discredit the West with propaganda or covert activities, or to pressure vulnerable governments into adopting policies more favorable to Moscow.

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6. The principal sources of instability and tensions will remain local. There is no "global instability" as such—that is, no single source or pattern of instability—but instead a complicated mix of diverse internal and interstate conflicts which differ widely in nature from region to region and case to case. The potential for influence by the United States will vary, and those Western actions that are tailored to the special characteristics of each situation will stand the best chance of being effective.

7. Because they are often triggered by elusive and seemingly minor events, some new crises will erupt without warning. This will be somewhat less likely, however, with respect to regional conflicts than to coups and other internal disruptions.

8. New crisis situations of major significance for the United States may arise over the next two or three years from several general types of political instability and regional tensions. These types are discussed in the ensuing sections.

#### Principal Areas Where Regional Tensions and Armed Conflicts are Most Likely To Escalate and To Necessitate US Policy Responses

9. *Expansion of the Civil War in Lebanon To Include Israel and Syria.* Internal instability and regional tensions intermix in Lebanon to a degree unmatched elsewhere. The state of Lebanon was for some time a successful invention. Now, however, it will probably continue to slide toward anarchy. The disruptive forces are simply too many and too powerful for the weak Lebanese Government and the small UN presence: fragile communal balances; 400,000 Palestinians seeking a permanent homeland; irresponsible Phalangist leadership; an ambitious, Soviet-backed Syria; and an Israel that is quick to use armed force against threats emanating from Lebanon. Prospects for expanded violence will increase, moreover, as the 1982 Lebanese presidential and parliamentary elections near. It will take skillful Western actions and restraint by the major actors on the scene to avoid large-scale Syrian and Israeli interventions and direct confrontation that could escalate into a major war. Should such a confrontation occur, many US interests in the Arab world would suffer, regardless of the merits of the particular case, simply because of Israel's close ties to the United States.

10. *Israeli-Arab Confrontation (Outside Lebanon).* The chances of a fifth Arab-Israeli war have been reduced by the Egyptian-Israeli peace treaty. Moreover, Iraq has become preoccupied by its war with Iran. A resumption of major Israeli-Arab warfare cannot be excluded, however, particularly if Israel makes no significant concessions on the West Bank and Gaza, or conducts major military raids against its Arab neighbors. In such circumstances even Egyptian President Sadat might cut his losses after return of the rest of the Sinai, back away from Tel Aviv, and lend more support to the Arab cause in any future confrontation between Israel and its neighbors. The Israeli raid against the Iraqi reactor has highlighted the fact that longstanding Arab-Israeli differences are being progressively complicated by the prospect of nuclear proliferation. Meanwhile, the USSR is able to exploit the Arabs' aversion to Israel, their dislike of the Camp David arrangements, and their need for arms. The United States will still have considerable influence with Israel and certain of the Arab states, but will also continue to be held responsible by many Arabs for Israeli actions even in cases where the United States differs with such actions.

11. *Expansion of the Iran-Iraq War to Other Regional States.* The military stalemate between Iran and Iraq will probably continue for some time. If Iran finds itself in danger of losing the war, its leaders may order military raids on Oman, Bahrain, Kuwait, or other nonbelligerents in the area in a desperate effort to internationalize the conflict. Such raids might in turn threaten to halt or significantly diminish oil shipments through the Strait of Hormuz, heighten the chance of conflict between Arab states that to date have supported different sides in the war, and further accelerate the collapse of central authority in Iran. Neither the USSR nor the United States has significant leverage to prevent such acts of escalation; this is a classic case in which the decisions of the local actors, without the prior knowledge or consent of the superpowers, may constrain or limit the latter's policy-making options.

12. *Central America.* Conflict and tension have mounted in Central America over the last two years as the Sandinista government in Nicaragua has expanded its military and clandestine capabilities, as violence and instability have spread to the four neighboring countries, and as Cuba and the USSR have deepened

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their involvement. The rapid expansion of Nicaragua's armed forces and militia—with Cuban support and training and the first Soviet-made tanks introduced into Central America—is increasingly viewed with concern both in Central America and more widely in the hemisphere. Military conflict between Nicaragua and Honduras, which has also moved recently to expand its military strength, will become more likely if anti-Sandinista groups begin to mount effective opposition from Honduran soil. The Sandinista leaders are likely to continue covert efforts—in cooperation with Cuba—to support revolution in El Salvador and Guatemala, and to try to bolster radical groups in Honduras and Costa Rica. We believe, in addition, that Nicaragua and Cuba have a secret defense agreement, which both governments probably interpret as a pledge of Cuban support in the event of major internal opposition to the Sandinistas or of military intervention from a neighboring country. Thus, in an area where border conflict and traditional rivalries have frequently resulted in hostilities, the widening confrontation between new and potent revolutionary forces and conservative ones increases the risk of regional conflicts that would involve US interests.

13. *Expansion of Hostilities in the Horn of Africa.* The interests of the superpowers in the conflict between Ethiopia and Somalia are so pronounced that any major escalation of hostilities in the Horn would at once engage significant superpower attention. This bilateral conflict is also intertwined with instability in Djibouti. Although Moscow would doubtless try to avoid a direct confrontation with the United States in the Horn, it wants to discourage Washington from exercising military access rights in Somalia, and in particular from deploying US combat forces to Berbera. Somalia's efforts to seize part of the Ogaden will persist, regardless of US admonitions. The United States has little influence in Ethiopia, although Ethiopian leader Mengistu's reported desire to lessen his dependence on the USSR may offer an opening.

14. *Expansion of Guerrilla Warfare in Southern Africa.* Conflict will continue in southern Africa, with periodic escalation of the present low-level fighting in the Namibian theater. Although the Republic of South Africa had hoped to exploit its economic primacy in a regional grouping with its neighbors, it has downgraded that tactic and now emphasizes tough talk and tougher retaliatory measures against states that assist

forces of the South-West Africa People's Organization (SWAPO) or saboteurs of the African National Congress (ANC). The Frontline States (Angola, Zambia, Zimbabwe, Botswana, Mozambique, and Tanzania) are justifiably fearful not only of continued South African cross-border raids on guerrilla bases, but also of South African support to insurgents (Angola and Mozambique) and possibly even the fomenting of new insurgency and attacks on selected economic and transportation targets in any of the Frontline States. South African policies benefit Soviet interests in Africa, for Moscow has little difficulty convincing many African audiences of US complicity in South Africa's military and economic actions. Probably the most favorable possible development for enhancing US influence in southern Africa would be the conclusion of a peaceful, Western-supported settlement in Namibia, although the black states of the region will continue to inveigh against any US policies that appear to be aimed at developing closer ties to Pretoria.

15. *Soviet-"Afghan" Threats to Pakistan.* If the Soviets came to believe that Pakistani support was the main cause of a more successful Afghan insurgency, they or their Afghan proxies might increase the frequency or intensity of raids on refugee camps within Pakistan or launch raids on insurgent bases there. Soviet aims would include pressuring President Zia to curb aid to the insurgents, undermining his credibility as defender of Pakistani territory, pushing the large number of Afghan refugees into the more populated parts of Pakistan, and strengthening those Pakistani elements who favor an accommodation with Soviet power. More ambitious Soviet—or Soviet-backed "Afghan"—moves against Pakistan could occur if border conflict escalated, if Pakistan appeared on the verge of disintegration and its Army were tied down by mass civil or ethnic unrest, or if Islamabad's relations with India had become so tense that Pakistan could not move its troops from its border with that country. Even then, a number of significant military and political considerations might constrain major Soviet military action against Pakistan, including the counter-productive reactions such moves might provoke on the part of India, China, the Islamic world, and the West.

16. *India-Pakistan.* The principal new elements which might touch off renewed hostilities between these two antagonists are nuclear proliferation and Indian displeasure with the supply of modern US arms

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to Pakistan. Pakistan is developing a nuclear device, which could probably be tested by late 1982 or 1983, although Islamabad may defer a test in order to avoid damaging Pakistan's improved relationship with the United States. New Delhi will nonetheless have considerable incentive to attack Pakistan's developing nuclear facilities. Armed clashes could also grow out of minor border incidents or religious clashes, perhaps serving as pretexts for India to weaken Pakistan's defenses before the new US arms program takes effect. A spillover of the Afghan war into Pakistan might cut either way: India would prefer to avoid a Soviet-dominated Pakistan on its border, but, if the disintegration of Pakistan appeared imminent, New Delhi might support and participate in its partition. In any event, the most likely causes of renewed hostilities between India and Pakistan will arise from decisions made in New Delhi and Islamabad, with neither Moscow nor Washington possessing decisive influence. Such a conflict would force difficult choices on the United States, in view of its ties to Pakistan.

17. *Thailand-Kampuchea-Vietnam.* Aggressive action by Vietnam against Thailand is the most likely cause of expanded regional conflict in Southeast Asia. About 180,000 Vietnamese combat troops in Kampuchea, nearly two-thirds of them in the provinces bordering Thailand, directly threaten Thai security. Vietnamese forces might strike into Thailand if Hanoi concluded that it could no longer tolerate Thai support of anti-Vietnamese guerrilla forces in Kampuchea—which is already substantial—because such support was preventing Vietnam's pacification of the country. Any Vietnamese air and ground strikes would probably be kept measured and limited. The USSR would probably caution its Vietnamese ally to refrain from actions that would expand the conflict and increase the risk of direct Soviet involvement. China, with or without US encouragement, might threaten a second border war in order to remind the Vietnamese that they are vulnerable along their northern front. A full-scale Vietnamese invasion of Thailand is less likely but would have severe consequences, especially in view of US and Chinese security ties to Thailand and the USSR's considerable commitment to Hanoi.

18. *North Korea-South Korea.* The most significant development in this relationship is the shift of the military balance over the past decade in favor of the North, which has expanded its ground forces much

more rapidly than the South. The potential for armed conflict will persist, given this development, the continuing confrontation of two large armies, and Kim Il-song's view that force remains a viable means for unifying Korea under Communist rule. There remain several deterrents to armed conflict, however: US treaty ties with South Korea, the presence of US forces there, the considerable strength of the South Korean armed forces, the success President Chun Doo Hwan appears to be achieving in consolidating his rule and reducing instability in the ROK, and the fact that neither Moscow nor Beijing apparently wants to see North Korea touch off hostilities—and possibly an expanded conflagration in the area. Kim Il-song is nonetheless more his own man than in years past. Neither the USSR nor China enjoys any decisive influence with him at present, and the North Korean forces have the capability to go it alone, at least in the sense of conducting a war of limited duration. For its part, the United States will probably continue to be closely tied to the ROK, militarily, economically, and politically, but without commensurate, decisive leverage on Seoul.

#### Principal Countries in Which Major Change Detrimental to Key US Interests Has at Least an Even Chance of Occurring in the Next Two or Three Years

19. *Iran.* Drastic political change is once again most likely in Iran. Present authority there is threatened by numerous problems: the incompetence, fanaticism, and divisions among the dominant Muslim fundamentalists; an aging dominant leader, Khomeini; intimidation by street mobs; worsening economic conditions; a seemingly endless war with Iraq; assertive ethnic minorities; and, not least, a neighboring USSR ready to exploit progressively greater instability. The elements of stability are few. The United States is discredited, and the West as a whole has little influence over Iranian events. The danger is that Iran might fragment and fall open to significantly increased Soviet influence—at major cost to the West.

20. *El Salvador and Guatemala.* The many sources of instability in Central America are familiar, as is the pattern of hostile outside exploitation of them. A marked expansion of insurrectionary strength, however, is by no means inevitable. Present governments

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have so far kept the insurgent pressures within manageable proportions, but unless they show more wisdom and effectiveness than they have to date, their situations will deteriorate. Despite the increased involvement of Cuba, the USSR, and others, the United States probably has greater leverage here than in any other critically unstable region in the world. Nonetheless, whether insurrectionary strength in the area declines, remains at more or less present levels, or expands to exert serious new pressures on Honduras and Costa Rica depends not only on the degree to which external assistance to the insurgencies can be curtailed, but also on whether the governments in the area can carry out constructive change.

21. *Zaire*. Economic problems, popular discontent, a history of tribal and regional conflicts, and President Mobutu's resistance to needed reforms will keep mineral-rich Zaire on the verge of major violence and disintegration. Mobutu's shaky rule will face the constant threat of a military coup, a popular uprising, or armed attack from such exiled opposition groups as the National Front for the Liberation of the Congo (FLNC). Mobutu's departure, whenever and however it occurs, is likely to precipitate a bloody power struggle and perhaps attempts at secession in Shaba. The instability and pro-Western orientation of Zaire make it a target for Soviet-inspired machinations, even though little such interference has been apparent since 1978. The Soviets and Cubans have supported the FLNC in the past, and Moscow reportedly reached a new agreement in mid-1981 to furnish arms to the rebels.

22. *Greece*. The many stresses in Greek society would probably be held in check fairly well if the moderately conservative New Democracy Party were reelected in the parliamentary elections this fall. But prospects will become more clouded if, as now seems more likely, the principal opposition party—Andreas Papandreu's Panhellenic Socialist Movement (PASOK)—wins a plurality. US interests will probably suffer if a PASOK or PASOK-dominated government is elected. Papandreu's recently stated positions suggest that he would attempt to: raise the price for US bases and prevent their use for non-NATO purposes, demand more benefits from the European Community while ignoring its rules, curtail Greek military participation in NATO, and pursue a more chauvinistic course toward Turkey. Such actions would reduce

Western strength and cohesion and thus advance Soviet objectives. They might also stimulate a flight of capital from Greece, frighten away prospective investment, and, not least, provoke a military coup. A Papandreu-dominated government would probably not be able to push such courses too vigorously, partly because it would be restrained by President Karamanlis and partly because it would fear provoking the military. If Papandreu's base of support continued to increase, however, he might then attempt to follow through on much of the extreme rhetoric he has voiced in the past. The resulting policies—which would be much more detrimental to US interests than those actions enumerated above—could include closure of US bases in Greece, Greek withdrawal from the EC and NATO, an even more provocative posture toward Turkey, and a neutralist stance on many other international issues. Although the military might remain a bystander for a while under such circumstances, it would be more likely to intervene, introducing a different but still serious set of problems for the United States and the West Europeans.<sup>5</sup>

23. *North Yemen*. The political situation is deteriorating, and if unchecked could result in a leftist-leaning or leftist-controlled state on Saudi Arabia's southwestern border, adjoining Marxist South Yemen. The opposition National Democratic Front (NDF), a confederation of leftist-oriented factions backed by South Yemen, is consolidating its hold over large areas of the southeastern portion of the country. Moreover, it is attempting through clandestine operations to expand into areas that are more fully under government or tribal influence. Should the NDF gain power in Sanaa, the Soviets and South Yemenis might exploit traditional Yemeni-Saudi tensions and encourage the NDF to foment instability in Saudi Arabia by manipulating some of the nearly 1 million Yemeni workers there. An NDF victory would also lead to a greater Soviet presence in North Yemen and possibly the exclusion of the United States as a military supplier. The Saudis are extremely sensitive about the possibility of an NDF government and might attempt to forestall or counter it by backing North Yemeni tribal elements in warfare against the NDF. An NDF regime might seek to reach accommodation with the Saudis to

<sup>5</sup> The Director of Intelligence and Research, Department of State, believes that even in the longer run, Papandreu will have insufficient support to implement extreme positions.

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ensure continued monetary subventions and the free flow of workers and their remittances. But even in this case the Saudis would be likely to retain strong suspicions, and relations would be somewhat hostile for some time to come.

**Principal Countries in Which Major Change Detrimental to Key US Interests Has a Significant, Although Lesser, Likelihood of Occurring in the Next Two or Three Years**

24. *Egypt.* President Sadat's regime has a number of strengths but also some significant vulnerabilities: economic problems that make it difficult to meet popular expectations, the highly personal nature of Sadat's rule, the failure so far of the peace process with Israel to yield the immediate material benefits expected by Egyptians, and increasing concern that Sadat is rushing into Washington's embrace and sacrificing Egypt's national interests to those of the United States. Moreover, despite strong security precautions, Sadat faces the risk of assassination at the hands of Muslim extremists or others (Egyptian or foreign) in the pay of elements who hold him guilty of complicity in Israel's acts against Arab states or the Palestinians. The USSR's ability to influence events in Egypt will probably be confined primarily to encouraging radical Arab elements against Sadat. The United States, meanwhile, will probably continue to enjoy considerable influence in Egypt, provided such influence and the increasing US presence there do not kindle widespread Egyptian criticism of Sadat. If Sadat were removed from office, for whatever reason, military figures would probably play the crucial role in the succession. In such a case, his successors would be less well disposed toward a further normalization of relations with Israel, and might back off somewhat from the present intimate relationship with the United States. But they would probably maintain a generally pro-US orientation, and would not welcome the Soviets back. Given the personalistic nature of Egyptian politics and foreign policies over the past generation, however, the possibility cannot be excluded that a post-Sadat Egypt could enter upon a period of considerable turmoil and could take a radically anti-American turn.

25. *Oman.* Sultan Qaboos faces some externally supported subversion as well as disgruntlement among military or government officials, but a serious chal-

lenge to his autocratic rule is not likely in the next two to three years. The regime's stability rests on a very narrow base, however, and a serious problem would arise from Qaboos's sudden death or incapacitation, since no successor has been designated. His sudden departure could trigger a prolonged power struggle and civil war, with rival groups turning to Western or Eastern sources for support. In the event of a coup by the military, which is still largely British led, any resulting regime would probably not be anti-US, although it might be less inclined to grant the United States military access to its facilities. In the unlikely event that Soviet- or South Yemeni-supported leftists were successful in seizing power, a new regime hostile to US interests would take over the southern shore of the Strait of Hormuz.

26. *Spain.* The fledgling Spanish democracy has already shown greater resilience than many observers expected of post-Franco society, and may yet continue to advance. It is being tested, however, by powerful military elements that have not fully reconciled themselves to nonauthoritarian rule and are concerned that the civilian politicians are not effectively handling Spain's problems, especially the fanatical Basque extremists and high unemployment accompanying the sluggish economy. The ability of the USSR seriously to influence developments in Spain is severely limited. By comparison, the United States and other Western powers enjoy considerable influence. Certain activists within the Spanish military are key players. If they are restrained, Spanish democracy will continue to evolve. A military coup, however, would return Spain to authoritarianism, jeopardize its prospects for membership in the European Community and NATO, and create new difficulties in its relations with the United States.

27. *Pakistan.* Skill and good luck have enabled President Zia ul-Haq to bring a rare degree of effective rule to Pakistan, which occupies a critical geopolitical position in Southwest Asia. He cannot wholly abandon parliamentary forms and judicial independence, however, without seriously provoking powerful social groups and reviving the opposition led by the family and associates of the late Prime Minister Bhutto. And as long as his regime lacks a popular base, Zia will be vulnerable to riots and sectarian clashes. His opponents could challenge his regime by stimulating greatly increased terrorism or separatist senti-

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ments. The United States, the West generally, and moderate Arab states, as well as China, have numerous levers of influence over Pakistan, though these could be outweighed by pressures that could be exerted by Pakistan's neighbors: India, or the USSR and Soviet-occupied Afghanistan. If Zia were displaced, his successor would most likely be another military officer who would not be inclined to change Pakistan's policies appreciably. But unless Zia's successor promptly established his authority, centrifugal forces would once again threaten to tear Pakistan apart.

28. *The Philippines.* President Marcos has had some success in trying to engineer a transition from eight years of martial law to a semblance of participatory government without permitting any real reduction of his personal control. Marcos has had less success in overcoming economic difficulties as well as in containing the Muslim Moro insurgency in the south. The strong, pent-up pressures for change and the weakness of Philippine political institutions could bring considerable disorder if Marcos should suddenly die or be incapacitated. In such a situation, the USSR would seek sympathetic radicals to support, and Libya would probably increase assistance—money, arms, training, and diplomatic support—to the Moro insurgents.

29. *Panama.* General Torrijos's recent death is almost certain to result in a protracted period of uncertainty and intrigue as rival military and civilian leaders seek to fill the political vacuum. For more than a dozen years Torrijos dominated the country through a combination of populist rhetoric, manipulation and intimidation of the opposition, and successful negotiation of the Canal treaties with the United States. He did not groom a successor, however, and had only begun to organize a durable political framework. The figurehead President, Aristides Royo, has good credentials with the left but lacks organized support. If he attempts to expand his influence unilaterally, the military will probably depose him. The key power struggle will be among the senior officers who want to succeed Torrijos as National Guard commander. Neither of the two leading contenders—Colonels Paredes and Noriega (respectively G1 and G2 of the National Guard)—has taken radical anti-US positions, but the former is strongly nationalistic and the latter a corrupt opportunist. Radicals and ultranationalists can now be

expected to denounce more vigorously the terms of the treaties, particularly the extended phasing (to the year 2000) of the US withdrawal from the former Canal Zone and the continuing US military presence, as well as US policies in Central America. In the absence of a strong leader, the influence of the radicals and ultranationalists could grow rapidly, perhaps providing new opportunities for Cuban meddling. Should domestic turmoil develop, there would be continuing risks of interruptions to the Canal and attacks on US military installations.

**Other Important Countries, Where Political Stability Appears To Be Fairly Well Assured in the Next Two or Three Years, but Where There Are Deep-Rooted Social and Economic Forces at Work That Might Undermine Stability and Lead to Major Changes of Great Consequence for the United States**

30. *Saudi Arabia.* Although the country is vulnerable over the longer term to the destabilizing effects of rapid social change, the royal family's adaptability and close ties with the religious establishment and the absence of strong opposition capable of challenging its rule make it probable that the Saudi regime will remain in power over the next two or three years. Continuity of effective leadership will be a major potential problem. If Crown Prince Fahd succeeds King Khalid, rivalries within the royal family may lead to Fahd's ouster, with the most likely successor being Prince Abdullah, commander of the National Guard. He enjoys a good reputation and good ties with the tribes, disaffected family members, and religious leaders. Either Fahd or Abdullah might feel a need to distance himself from the United States and perhaps to agree to a token cut in oil production. Even so, the Saudis are likely to remain highly distrustful of the Soviet Union, and the United States will continue to enjoy a considerable advantage over the USSR in influencing events there.

31. *Mexico.* Because of the long US border with Mexico, and the size and complexity of US interests there, Mexico's problems and policies tend to have stronger repercussions in the United States than those of any other developing nation. Instability is unlikely to threaten the regime in the 1980s, but many less

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serious problems in Mexico will have an impact on the United States. Thus, even fluctuations in regional social and economic conditions are likely to result in increased illegal migration. As cultural, economic, and other links between the two countries become more extensive, US influences will be felt even more heavily in Mexico. As a result, leaders there will perceive an even greater need to protect and demonstrate their country's independence of the United States. Over the next few years they will be likely to continue pursuing their own policies in Central America and the Caribbean. Many of these will diverge from US policies, particularly in their short-term goals and methods.

32. **Brazil.** Brazil faces increased political and economic uncertainty as its military leaders attempt to open the political system to broader participation. President Figueiredo is committed to continued political liberalization and an eventual return to a civilian presidency—perhaps as early as 1985—but is opposed by conservative elements in the military. If pressure from the right—which has included acts of terrorism—continues to intensify and the government does not respond, public doubts about Figueiredo's commitment to the liberalization program probably will grow. If he were to slow down or indefinitely postpone that program, moreover, popular dissatisfaction would mount and violent protests could occur. The President's problems are compounded by the economic dilemma of needing to sustain high growth rates while also carrying out austerity policies needed to placate foreign creditors, reduce inflation, and strengthen long-term economic performance. Default or serious economic faltering by Brazil—which has the largest debt of any developing country—would have a serious impact in the West, especially in the United States. In addition, because Brazil is an emerging economic power, with the world's 10th largest economy and a well-earned reputation as one of the most successful developing countries, major political and economic turmoil there would tend to undermine confidence elsewhere in free-market development strategies and pro-Western policies.

33. **Yugoslavia.** Tito's successors have been able thus far to cope remarkably well with the enormous problems that face Yugoslavia: assertive separatist nationalism, economic stagnation, demands for political liberalization, and a delicate geopolitical relation-

ship with the USSR and its allies. The Soviets have several potential levers to exploit Yugoslavia's vulnerabilities. If Moscow anticipated an irreversible deterioration in East-West relations or a move by Belgrade toward a Western and away from a nonaligned orientation, it might attempt to force Yugoslavia back into its own orbit. But the Soviets would have to consider the possibility of evoking hostile responses from within Yugoslavia as well as from NATO, worsening relations with China and the nonaligned, and driving Belgrade even closer to the West.

34. **India.** Indian democratic traditions are strong, and the political system is likely to survive all but the most serious possible problems the country might face in the next few years. Despite a trend toward concentration of power in Prime Minister Gandhi's hands, civil and political liberties continue to provide a safety valve for popular discontent, and respect for public institutions remains high. Because of the country's size and diversity, most tensions and disturbances will be local. The most likely causes of a nationwide crisis would be serious agricultural failures due to uncommonly bad weather, or a leadership vacuum following Gandhi's sudden displacement. Even these problems, however, would probably be met with political changes within the framework of the existing parliamentary system, rather than a turn to radical alternatives. It is possible that India will substantially expand its ties with the Soviets, although history suggests that it has a deep suspicion of the USSR and is reluctant to jeopardize its standing as a nonaligned leader. Should such an event occur, however, the United States might face greater difficulties in stemming Soviet advances in South and Southwest Asia. In addition, major foreign policy problems would be posed for moderate members of the nonaligned movement. A collapse of India's democratic system, although unlikely, would be a major discouragement to democratic forces in other developing countries.

#### Implications for the United States

35. Instability and regional tensions will probably have these principal consequences for the United States during the next few years:

- The involvement of the superpowers in the less developed world, including continued Soviet efforts to extend influence by exploiting instability



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and tensions, will in many instances compound the problems and increase the risk of US-Soviet confrontation.

- Although US allies can sometimes act effectively to protect Western interests in unstable areas, differences of view over how best to handle instability and conflicts in the less developed world could cause new strains in US alliances.
- The United States will continue at times to face the dilemma of either accommodating popular but anti-US opposition forces, or supporting ineffective and sometimes oppressive governments. In some instances, the continuation in power of incumbent rulers may increase pressures for radical change, thus undermining the long-term US objective of promoting constructive change through nonviolent means.
- Some moderate but insecure governments will avoid close cooperation with Washington because of the anti-Western ferment in their areas.
- Participants in regional conflicts—even those generally friendly to the United States—may take abrupt actions that limit US policy options or otherwise have severe consequences for US interests—as occurred, for example, with the recent Israeli strikes in Iraq and Lebanon.
- Some regional conflicts may also confront the United States with the choice between risking entrapment in war by providing support to an ally, and risking damage to the credibility of US commitments by staying aloof.
- A major tangible cost to the United States of a radical coup or revolution is apt to be the loss of any military or intelligence ties a country has

with the United States, and possibly their replacement with security ties to the USSR. Economic relations with the West are more likely to survive major political change.

- There will be a continuing danger that access to critical resources could be temporarily interrupted by revolutions or regional hostilities, particularly in the Persian Gulf or southern Africa.
- Warfare or revolution, particularly in Latin America and East Asia, could also generate new waves of emigration to the United States.
- Overall, there is opportunity for the United States, its friends, and local elements to resolve some instances of instability in a manner consistent with US interests. But such opportunity is fleeting: pressures for radical change threaten in many instances to overtake efforts at moderate reform. Unless a number of recent trends can be reversed, much instability will work to Soviet advantage, particularly that arising from racial divisions in southern Africa and the Palestinian question in the Middle East. The USSR and its friends have been better able thus far than the United States to identify with positions on these issues that enjoy widespread popular support.
- Some cases of instability in the less developed world, however, can almost certainly be resolved to US advantage. In many areas, the United States enjoys respect and influence while the USSR and its close associates—which have sometimes bungled their chances—are distrusted. Certain new factors, moreover, especially world reactions to events in Afghanistan and Poland, are enhancing the ability of a more determined United States to influence events in the less developed world.

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